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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92047013
Party	Plaintiff NeTrack, Inc.
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UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

In re Registration Number: 3,064,820
Mark: NETTRAK
Registered: March 7, 2006

NeTrack, Inc.	)	
	)	Cancellation No. 92047013
v.	)	
Internet FX, Inc.	)	

Commissioner for Trademarks
PO Box 1451
Alexandria, Virginia 22313-1451

OPPOSITION TO REGISTRANT'S SECOND MOTION TO REOPEN DISCOVERY PERIOD AND RESET TESTIMONY AND TRIAL PERIODS

Registrant is, in a sense, asking the Board to award it a third "mulligan" with respect to its discovery strategy. In the interest of keeping the proceedings moving forward, Petitioner respectfully requests the Board to deny Registrant's most recent motion to reopen discovery.

Registrant's discovery period ended August 20, 2007, more than a year ago. Registrant, advised by counsel, chose not to conduct discovery. Later, Registrant changed its mind and filed a motion to reopen the discovery period. Petitioner spent time and resources in response to the Motion, only to have Registrant change its mind a second time, and unilaterally withdraw the motion after it had been fully briefed. Now, over a year after the Discovery period ended,

Registrant has changed its mind a third time and has filed a second motion to reopen the discovery period.

In reliance upon Registrant's previous actions, Petitioner and the TTAB moved forward in this matter with almost a year of subsequent proceedings. Petitioner's testimony period has already opened and Petitioner has already prepared and introduced substantial amounts of testimony and evidence, and will have competed this effort very soon. Petitioner has relied on the Board's schedule that has been in place for many weeks now, and accordingly has already spent much time and resources introducing testimony and evidence. In contrast to Registrant's actions, which only seem to serve a goal of further dragging-out the proceedings, Petitioner would prefer that this case continue to move forward, so that a decision can be made on the merits. For reasons further detailed below, Petitioner respectfully requests that the TTAB deny Registrant's "Motion to Reopen Discovery Period and Reset Testimony and Trial Periods".

The attention of the TTAB is respectfully drawn to the fact that a Motion to Strike has been filed (TTAB paper number 22). If the Motion to Strike were granted (in whole or in part), this might affect the TTAB's ruling to be made on the Motion to Reopen Discovery.

Registrant fails to show "excusable neglect," as required under Federal Rules of Civil Procedure §6(b), as well as §509.01(b) of the TTAB Manual to reopen the discovery period.

In order to "reopen" the discovery period, the Registrant must show that its failure to conduct any discovery during the original six month period was the result of "excusable neglect". (*See* TTAB Manual of Procedure ("TBMP") §509.01(b) "Motions to Reopen Time", and FED. R. CIV.

P. 6(b)).

The factors for determining whether "excusable neglect" was shown by the Registrant are set forth by the Supreme Court in *Pioneer Investment Services Company v. Brunswick Associates Ltd. Partnership*, 507 U.S. 380 (1993), and adopted by the Board in *Pumpkin Ltd. v. The Seed Corps*, 43 USPQ2d 1582 (TTAB 1997). The excusable neglect determination must take into account all relevant circumstances surrounding the party's omission or delay, including:

1. the danger of prejudice to the nonmovant,
2. the length of the delay and its potential impact on judicial proceedings,
3. the reason for the delay, including whether it was within the reasonable control of the movant, and
4. whether the movant acted in good faith.

(TBMP §509.01(b))

1. The reason for the delay was well within the reasonable control of the Registrant.

Many courts as well as the TTAB "have stated that the third Pioneer factor, namely the reason for the delay and whether it was in the reasonable control of the movant, might be considered the most important factor in a particular case." (*See Atlanta-Fulton County Zoo, Inc. v. David J. DePalma and Charlotte Wright DePalma DBA Willie B. Famous Designs*, 45 USPQ2d 1858, 1859 (TTAB 1998) *citing Pumpkin, Ltd.* at 1586, footnote 7 and the cases cited therein. *See also* §509.01(b) of the TBMP). Due to the importance of this third factor, Petitioner will discuss it first.

The parties of the *Atlanta-Fulton County Zoo* proceeding were also involved in settlement

discussions when the opposer allowed a statutory time period to pass then petitioned to reopen it. The TTAB denied the request because the "opposer's failure to timely present evidence during the prescribed testimony period was due to circumstances wholly within its control."(*Atlanta-Fulton County Zoo,* 45 USPQ2d 1858, 1859 (TTAB 1998). Specifically, the TTAB rejected the opposer's "excuse" that the parties were exploring settlement possibilities during the time period and stated, "It is well established that the mere existence of settlement negotiations alone does not justify a party's inaction or delay." (*Id. citing Cheney v. Anchor Glass Container Corp.*, 71 F. 3d 848 (8th Cir. 1996); *Jones Truck Lines v. Foster's Truck & Equipment Sales, Inc.*, 63 F.3d 684 (8th Cir. 1995); *Federal Savings & Loan Insurance Corp. v. H. Kroenke, v. Anderson Die Castings, Inc.*, 925 F.2d 226 (7th Cir. 1991). The TTAB further stated:

> Parties engaged in proceedings before the Board frequently discuss settlement, but the existence of such negotiations or offers, without more, does not excuse them from complying with the deadlines set by the Board or imposed by the rules.

Id.

Like the Movant in *Atlanta-Fulton County Zoo*, Registrant's failure to conduct any discovery in the present case was wholly within its own control. Registrant purposely chose to not to conduct discovery. Registrant's failure to conduct discovery was intentional and not a mistake. Registrant has not stated any facts that would lead one to believe that it was in a situation where it was not within its control to conduct discovery, such as: not knowing when the discovery period ended, someone forgetting to mail papers, or some major personal crisis affecting its attorneys. Put simply, Registrant had six months to conduct discovery during the discovery period and, with advice of counsel, consciously chose not to do so.

Registrant's excuse for not conducting discovery was that Registrant had a "good faith belief that it had reached a resolution of this matter with Petitioner in April 2007." (See page 7 of

Registrant's September 25, 2008 "Motion to Reopen Discovery Period and Reset Testimony and Trial Periods" hereinafter referred to as "Registrant's Motion"). This statement is puzzling as a signed settlement agreement still did not exist four months later in August 2007. If it could reasonably be believed that settlement was truly as close as Registrant purports it to have been, then why, a year and a half later, has the case still not settled?

Registrant appears to believe it was Petitioner's fault that Registrant did not conduct discovery, because Petitioner did not advise Registrant that it intended to serve discovery. Nowhere in the rules for conducting discovery does a party have a positive obligation or duty to inform the other party that they do or do not intend to serve them with discovery requests. The rules simply require that any request must be served within the discovery period.

At no time did Petitioner communicate to Registrant that it would not conduct discovery. Petitioner was in the exact same situation as Registrant. Neither party knew if the other would or would not conduct last minute discovery requests. The discovery period was about to end and settlement had not yet occurred. The fact that Petitioner, being similarly situated to Registrant, did, in fact, finish its preparations for discovery and did serve discovery toward the end of discovery, shows that the decision to conduct or not conduct discovery was within both parties' control, and indeed it was possible to do so.

The decision as to whether or not to serve discovery requests, was completely in Registrant's control. Whether or not Petitioner served discovery requests or threatened to serve discovery requests did not negate that control. Registrant's ultimate decision to not serve discovery requests, even though it was the end of the six-month discovery period and settlement had not

yet been reached, cannot be blamed on Petitioner.

For the reasons described above, Petitioner respectfully requests the Board to deny Registrant's "Motion to Reopen Discovery Period and Reset Testimony and Trial Periods." Registrant's failure to timely present evidence during the prescribed testimony period was due to circumstances wholly within its control and the existence of settlement negotiations or offers, without more, does not excuse Registrant from complying with the deadlines set by the Board or imposed by the rules.

2. Reopening the discovery period will be prejudicial to Petitioner.

As discussed above, Petitioner and Registrant were similarly situated as the end of the discovery period approached. It is not surprising that in this case, as with most cases involving competent practitioners looking out for their client's best interests, settlement was being discussed. However, the parties had not yet reached agreement on the terms of settlement. Accordingly, and out of the abundance of caution, Petitioner prepared discovery requests and mailed them to the Registrant prior to the discovery deadline. A substantial amount of time, effort, and money was invested in the preparation of Petitioner's discovery requests in order to meet the deadline. This is money that no longer will be available to the Petitioner as a resource as the case progresses.

Registrant states, as if it were true, that "petitioner can only gain by reopening the discovery period," and "reopening the discovery period for a short 90-day period will not prejudice Petitioner or otherwise impair [its] ability to litigate the case." (See page 6 of Registrant's Motion). This is simply false. By reopening discovery, Petitioner will in a sense be punished for "turning in its homework on time." Registrant will be allowed to conduct discovery that it had

previously purposely chose not expend resources on. Further, if discovery is reopened, then Registrant will have the opportunity to tailor its requests based on the discovery requests and responses to date, as well as the myriad Notices of Reliance that Petitioner has already filed. Hence, the Petitioner will be greatly prejudiced if Registrant's Motion is granted. Moreover, the new time period will also allow Registrant to prepare its discovery requests for the first time in a much less rushed situation than Petitioner's preparations to meet the deadline in view of failed settlement negotiations. While Petitioner will also have the opportunity to conduct additional discovery, doing so will cause Petitioner to incur additional expenses that may not have been necessary if Registrant had conducted discovery during the original specified time period. It will also delay the justice that Petitioner has been waiting for since February of 2007 when this case was first filed. This case should be over by now.

Registrant also purports to know what Petitioner wants. "Petitioner may have additional discovery it wishes to conduct based on Registrant's responses. Petitioner will have that opportunity if the discovery period is reopened." (*Id.*) This is again false. If Petitioner wanted additional discovery, then Petitioner would have filed its own request to reopen discovery.

Registrant claims on page 5 of Registrant's Motion that "the Board granted Petitioner's December 30, 2007 Motion to Reopen Discovery." (See page 5 of Registrant's Motion). Petitioner respectfully points out that while Petitioner (due to Registrant withdrawing its prior motion to reopen discovery and filing a dispositive motion) filed a motion to reset the testimony periods, the Petitioner has never filed a "Motion to Reopen Discovery."

Registrant also respectfully points out that contrary to Registrant's assertions on page 7 of its Motion, this is NOT the first time that Registrant has approached the Board with this request. This is the second time that Petitioner has had to prepare a response to Registrant's motion to to reopen discovery. The reason for this is purely the fault of Registrant, who has, by its actions, shown that the most likely reason that it failed to conduct discovery was that it was unable to make up its mind as to whether or not to do so in the first place.

Registrant claims that it would "be greatly prejudiced by the inability to take discovery". (See page 6 of Registrant's Motion). Registrant had the exact same opportunity to take discovery as Petitioner and yet, under the advice of counsel, deliberately chose not to. On information and belief, there was never a time during the six-month discovery period that Registrant had an "inability to take discovery", thus Registrant suffers no prejudice at all, because Registrant was entitled to the same original discovery period as the Petitioner. If the Board reopens the discovery period, the Board will be rewarding Registrant for choosing not to comply with the discovery rules.

Granting the motion to reopen discovery would reward the gamesmanship that Registrant has been employing to further delay this proceeding from being decided on the merits. This, in turn, is also prejudicial toward Petitioner. Registrant filed a motion to reopen discovery, then months later, after time and resources were spent fully briefing that motion, Registrant voluntarily made the risky decision to withdraw the motion, then filed dispository papers that the TTAB did not grant. Registrant is essentially asking the TTAB to now "refund the purchase price of a lottery ticket after finding that it did not win".

Registrant contends that Petitioner would not be harmed by reopening discovery because, "Petitioner has no outstanding motions or other requests such that reopening the discovery period will delay an expected decision." (*Id.*). Petitioner respectfully points out that this case has been delayed over one year from the last time Registrant decided that it wanted to conduct discovery and filed a motion to reopen the Discovery period. Wary of what new games Registrant may choose to engage in, as well as wanting the case to move forward, Petitioner is taking no chances and has initiated and substantially progressed with its introduction of testimony to move this case forward toward a decision on the merits. At the time Registrant's Motion was filed, Petitioner's testimony period had not yet begun. It is now no longer true that "Petitioner has no outstanding motions or other requests such that reopening the discovery period will delay an expected decision." Granting Registrant's motion will also be prejudicial toward Petitioner, because Petitioner has already commenced introducing testimony.

Registrant deliberately chose to disregard the approaching date that ended the discovery period. Petitioner, faced with the same deadline and lack of a signed settlement agreement, did in fact prepare discovery requests prior to the deadline. Out of the interest of justice in this matter, and fairness to the Petitioner, Petitioner respectfully requests that the Board deny Registrant's request to reopen discovery.

3. Granting Registrant's motion to reopen discovery will cause a substantial delay which will then negatively impact judicial proceedings.

Registrant claims that the judicial proceedings will not be significantly delayed because Registrant "filed [its] Motion promptly upon receiving the Board's August 28, 2008 order." (See page 5-6 of Registrant's Motion). Apparently Registrant chooses to disregard the greater than

one-year delay already caused by its conduct the last time Registrant changed its mind about conducting discovery. Registrant cites *Champagne Louis Roederer v. J. Garcia Carrion*, S.A. 2004 TTAB LEXIS 235 (T.T.A.B 2004), a case that granted a request to reopen the discovery period because the movant acted "swiftly".[1] How is it possible that failing to conduct discovery during the 6-month discovery period, moving to reopen discovery, withdrawing that motion, then allowing over a year to pass before changing its mind and filing a second motion to reopen discovery, could be construed as "acting swiftly"? In addition, the time period for discovery requested by the movant in the non-citable *Champagne Louis Roederer* case was only 30 days, one third of that requested by Registrant in the present matter. Petitioner also notes that the *Champagne Louis Roederer* case distinguishes itself from the *Pumpkin Ltd.* case where discovery was not reopened after a request was made three and one-half months after discovery closed.

Registrant did not "fil[e] [its] Motion promptly upon receiving the Board's August 28, 2008 order." It waited until just before the testimony period began, and after Petitioner had already been preparing to start introducing testimony into the record, which was almost a month later than the Board's decision.

Petitioner respectfully requests that the Board deny Registrant's motion for the additional reason that it will cause a substantial delay which in turn will negatively impact judicial proceedings.

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1 Petitioner notes that this opinion is specifically identified as "NOT CITABLE AS PRECEDENT OF THE TTAB".

4. A good-faith belief that settlement was imminent should not excuse Registrant from meeting discovery deadlines.

Petitioner does not know whether Registrant acted in bad faith by failing to conduct discovery during the six-month discovery period. However, at a minimum, Petitioner asserts that Registrant exercised bad judgment in unreasonably assuming that a case was going to settle while allowing the time for discovery to run out, and by gambling and losing when it decided to withdraw its prior motion to reopen discovery.

Registrant apparently now regrets the decisions it made with advice of its counsel: (a) not to conduct discovery, and (b) to withdraw its motion to reopen discovery. These decisions are not something that can be helped now. For the foregoing reasons, Petitioner respectfully requests the TTAB to deny Registrant's motion to reopen the discovery period.

There is no need to have the testimony and trial periods reset if the discovery period is not reopened.

In the interest of resolving this matter as quickly as possible, if the discovery period is not reset, there is no reason to reset the testimony and trial periods. This is especially true as Petitioner has already completed substantial work toward its introduction of testimony. Petitioner also respectfully requests that the Board does not extend the testimony and trial periods.

For the foregoing reasons, Petitioner respectfully requests that the TTAB deny Registrant's "Motion to Reopen Discovery Period and Reset Testimony and Trial Periods".

Respectfully submitted,

Oppedahl Patent Law Firm, LLC

Dated: October __15____ 2008

By: _____/Jessica L. Olson/_____

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Certificate of Service

I hereby certify that a true and accurate copy of the foregoing paper is being deposited on

October 15, 2008 with the United States Post Office,

First Class postage prepaid, and addressed to the Registrant's Correspondent as follows:

SUSAN E. HOLLANDER & BRITT L. ANDERSON
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/s/

Carl Oppedahl